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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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THREE PLEAD GUILTY IN \$2 MILLION SCHEME TO STEAL INSULIN FROM THE U.S. ARMY

WICHITA, KAN. – United States Attorney Eric Melgren announced that three people charged with participating in a scheme to steal insulin from the medical supplies of the U.S. Army have entered guilty pleas.

U.S. District Judge J. Thomas Marten in Wichita received guilty pleas Jan. 26, 2005, from **John W. Cooper**, 29, Elizabethtown, Ky.; **Donna Cooper**, Elizabethtown, Ky.; and **Max H. Thomas**, 22, Fort Riley, Kan. John Cooper pleaded guilty to conspiracy to ship stolen merchandise in interstate commerce and to a count seeking forfeiture of cash and real estate obtained as a result of the crime. Max Thomas pleaded guilty to conspiracy to ship stolen merchandise in interstate commerce and conspiracy to commit mail fraud. He also pleaded guilty to a count seeking forfeiture of cash and real estate obtained as a result of the crime. Donna Cooper, the wife of John W. Cooper, pleaded guilty to knowing about the crimes and not reporting what she knew to civil or military authorities.

In their guilty pleas, the defendants admitted that the idea of stealing insulin, insulin test strips and other pharmaceuticals from the pharmacy at the Fort Riley Army base originated with Ronald Ausberry, who was a Specialist Fourth Class employed as a pharmacy technician. Ausberry began stealing the supplies in December 2001. In 2002 he began recruiting other Army pharmacy technicians to help him by stealing supplies from pharmacies on other Army bases. John W. Cooper at Fort Knox, Ky., and Max Thomas at Fort Riley were among those Ausberry recruited to assist him.

In his plea, Cooper admitted that he and several other defendants agreed to steal insulin and insulin test strips from pharmacies where they were assigned. They would then ship the stolen pharmaceuticals to Ausberry using a private commercial carrier such as FED EX.

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In his plea, Thomas admitted that he and another defendant delivered stolen pharmaceuticals directly to Ausberry because they were assigned to Fort Riley. Ausberry would repackage the stolen pharmaceuticals and ship them by private commercial carrier to buyers who had agreed to purchase the stolen pharmaceuticals from him. Ausberry sold the stolen supplies to buyers in Florida, Pennsylvania and other states. He paid Cooper, Thomas and other defendants an agreed price for each vial of insulin and each box of insulin test strips. In 2002 when Ausberry was transferred to Fort Lee, Va., he recruited a friend in Tuscon, Ariz. to assume his role in the scheme. In their pleas, Cooper and Thomas admitted they continued to participate in the scheme during 2003.

In their pleas, Cooper and Thomas admitted that in 2002 Ausberry sold stolen pharmaceuticals for \$1,248,633, which was a mark-up of 2.43 times the amount he paid to Cooper, Thomas and other defendants who provided Ausberry with stolen supplies. Cooper admitted that in 2002 he received \$157,920 from Ausberry. In 2003, Ausberry's friend in Tuscon sold stolen pharmaceuticals for \$1,085,377, which was a mark-up of 2.73 times the amount he paid to Cooper, Thomas and other defendants. Cooper admitted he received \$62,240 from the Arizona contact in 2003. Thomas admitted that he was paid \$3,965 by Ausberry in 2002 and \$32,839 by the Arizona contact in 2003.

In his plea, Cooper admitted he was paid by Ausberry, and later by Ausberry's contact in Arizona, by check or wire transfers. The checks or money orders were sometimes made payable to Cooper and other times to a business called Cooper's Treasures.

In her plea, Donna Cooper admitted that she knew John Cooper was stealing insulin from the base pharmacy at Fort Knox, Ky., and shipping it to Ausberry at Fort Riley or Ausberry's contact in Tuscon, Ariz.

Although the stolen insulin was neither stored nor shipped in a temperature controlled environment, the government is not aware of any reported adverse physical effects or injuries suffered by any consumer who eventually purchased the stolen insulin on the open market.

The Coopers are set for sentencing at 2:30 p.m. April 14, 2005. Thomas is set for sentencing at 3 p.m. April 14, 2005. Cooper faces a maximum penalty of five years in prison, a \$250,000 fine and restitution of \$220,160. Thomas faces a maximum penalty of five years in prison, a \$250,000 fine and \$36,804 in restitution. Donna Cooper faces a maximum penalty of three years in prison and a \$250,000 fine.

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In addition to the Coopers and Thomas, eight other defendants were charged in the

case including: Ronald A. Ausberry, Sabrina Ausberry, Antoine D. Brown, Stefan M. Carty, Michael M Harper, Eric A. Hernandez, Hazra Kishun, and Wakan G. Stamm. Hernandez, who originally pleaded not guilty, is scheduled for a change of plea hearing at 2 p.m. Feb. 4, 2005. Ronald and Sabrina Ausberry, who originally pleaded not guilty, are scheduled for a change of plea hearing at 10 a.m. Feb. 4.

Melgren commended the work of the United States Army, Criminal Investigation Division; the U.S. Postal Inspection Service; and the Food and Drug Administration, Office of Criminal Investigations, which investigated the case, as well as Assistant U.S. Attorney Alan Metzger, who prosecuted the case.

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